



Commodity Futures Trading Commission

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Statement

Opening Statement of Commissioner Michael V. Dunn Meeting to Examine Futures and Options Trading on the Metal Markets

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Thank you Mr. Chairman. I commend you for having this meet and providing the setting for an open, transparent and meaningful dialogue on the state of the metals markets. The mission of the CFTC is twofold:

1. to protect market users and the public from fraud, manipulation, and abusive practices related to the sale of commodity and financial futures and options; and
2. to foster open, competitive, and financially sound futures and option markets.

I hope today that our panelists will be able to shed some light on how the metals markets are currently working and whether the CFTC is fulfilling its mission to keep the markets open, competitive, and free from unlawful conduct.

Over the last couple of years, some market users have raised concerns that certain metals markets may not be free from abusive trading practices. When I first heard these concerns, I asked our Division of Enforcement to examine the allegations of wrongdoing, and an investigation was opened and is still underway. While we have not yet completed this investigation, I think it is important to remember that trading in the futures and options market is a zero-sum game. For every winner, there is necessarily a loser.

Several of today's panelists and market users have written to the Commission in support of the implementation of position limits in the metals markets. As with potential position limits in the energy markets, I am concerned that position limits in regulated futures markets without corresponding limits in OTC markets may result in less transparency in our markets if those presently trading on exchange move to OTC and other opaque markets to circumvent CFTC regulation. I am interested in hearing the panelists' thoughts on this concern.

I look forward to hearing from the diverse group gathered here today to speak, and I look forward to a lively, robust and educational discussion. I appreciate the efforts that Commission staff has put into this meeting, and I would like to thank the panelists for appearing today. Your time and effort will be instrumental in helping this Commission to better understand how the metals markets are operating. My commitment to you is to listen with an open mind to your thoughts on this subject. Thank you in advance for your participation.